



## Overview

Brazil continues to fall short in providing adequate and effective protection of Intellectual Property Rights (IPR). Despite some positive developments, most notably with respect to the formation and activities of the Brazilian Congress' Chamber of Deputies' Commission of Parliamentary Inquiry (CPI) on piracy and amendments to the criminal code, protection has not significantly improved.

To have a better overview of the current status of IPR in Brazil, we suggest that you first review our [Country Commercial Guide](#) IPR report, published at the following link:

<http://www.focusbrazil.org.br/ccg/chapters/IPR.pdf>

The following report focuses on the **legal procedures** for maintaining IPR protection in Brazil.

## Credits

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## Introduction

Brazil is a very large and attractive market, but companies planning to compete in this market must keep in mind that, despite the Brazilian government has strong commitment to enforcing IPR rights, it continues to fall short in providing adequate and effective protection of IPR.

Despite some positive developments, most notably with respect to the formation and activities of the Brazilian Congress' Chamber of Deputies' Commission of Parliamentary Inquiry (CPI) on piracy and amendments to the criminal code, protection has not significantly improved.

Prevention is always the best way to protect your IPR and understanding the IPR Laws and working with attorneys is recommended. Protection of IPR is guaranteed by the Brazilian Federal Constitution and various federal laws, as well as international treaties signed by Brazil.

Brazil is a signatory to the Paris, Bern, and Universal Copyright conventions on IPR protection, the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) and the Patent Cooperation Treaty (PCT). Brazil is also a member of the World Intellectual Property Organization (WIPO).

The Brazilian Institute of Industrial Property (INPI – [www.inpi.gov.br](http://www.inpi.gov.br)) is the government entity in charge of industrial property rights, and the formal examination of applications for trademark and advertising slogan registration, and the issuance of letters of patent.

## Federal Laws and Multilateral Agreements Pertaining to IPR

The following are the main federal laws regarding IPR:

- (i) [Law No. 9.279/96](#) ("Industrial Property Law"). Cover patents of invention, utility models, industrial designs, trademarks, technology transfer and IPR enforcement.
- (ii) [Law No. 9.610/98](#) ("Copyright Law"). Regulates the protection for copyrights.
- (iii) [Law No. 9609/98](#) ("Software Law"). Regulates software protection.
- (iv) [Law No. 9.456/97](#) Regulates protection for plant varieties.

All of this legislation was enacted and took effect during the last decade, bringing the Brazilian Law up to the minimum standards established by TRIPS – Trade Related Aspects of Intellectual Property Rights, an international treaty entered into by the members of WTO – World Trade Organization, adopted by Brazil through Decree No. 1355/94.

Besides TRIPS, it is important to mention that Brazil has signed the most important international treaties regarding intellectual property rights:

- (i) Paris Convention of 1883, revised in Stockholm, which features industrial property protections;
- (ii) Bern Convention of 1886, revised in 1971, which features copyrights protection;
- (iii) Rome Convention of 1961, which features protection for singers and other artists, producers of phonograms and radio broadcasting organizations.
- (iv) Patent Cooperation Treaty (PCT).

Intellectual Property represents one of the most important and valuable assets of a Company and, therefore, its proper management is fundamental to protect it.

Although Intellectual Property Rights are private rights and the U.S. government can provide only limited direct assistance, the U.S. Commercial Service in Brazil is committed to providing as much information as possible to assist U.S. Companies to protect and guard their intellectual property rights.

## Legal Procedures: Differences between Brazil and US

Brazilian and U.S. Laws have a fundamental difference. In Brazil, if there's a conflict between independent inventors, the patent will be granted to the first party to file a valid application; whereas, in the United States the party who proves to have first made the invention is granted protection, regardless of when the application is made.

Another relevant difference is that the United States recognizes patents only for inventions, while Brazil follows the Paris convention and differentiates between inventions and utility models, granting them different classes of patents. A utility model may be roughly defined as an adaptation of an existing object to produce something that has a distinct usefulness, but which remains essentially the same object.

Alterations in characteristics that produce a useful change to an existing product, therefore, qualify for a new invention patent in the United States, but for a utility model in Brazil. When U.S. companies request a patent in Brazil based upon a prior application in the United States, they should define the object in terms of Brazilian legislation – which is to say, whether it covers new invention or relates simply to new characteristics.

Legal experts are of the opinion that perhaps half the patents granted to U.S. companies in Brazil, based on prior U.S. patents, are wrongly classified and should have been patented as utility model rather than inventions. This incorrect classification potentially leaves such patents open to challenge. This has not been a major problem, but it is a possible source of difficulty that can be easily avoided at the time of application.

As with the U.S. law, industrial designs in Brazil do not receive patents, but are registered.

#### IPR Infringement: How the US Government Can Help

Many companies, particularly SMEs, that discover their products are being infringed in Brazil contact the U.S. Commercial Service in Brazil or the Department of Commerce in Washington for assistance. Because intellectual property rights are private rights, the U.S. government can provide only limited direct assistance. In many cases, the U.S. government can provide companies with information in navigating Brazil's legal system, including lists of local investigative firms and attorneys, and share our experience and expertise in Brazil. However, we cannot provide American companies with legal advice or advocate on a company's behalf where a matter is before a court or administrative agency.

#### Patents and Utility Models

Pursuant to article 8 of the Industrial Property Law, the essential conditions for granting patents in Brazil are: novelty, inventive activity, and industrial use. Moreover, an item of practical use, or any part thereof, can be patented as a utility model, provided that it is susceptible of industrial use, presents a new shape or layout, and involves an inventive act that results in functional improvement in terms of use or manufacture.

A patent is deemed new whenever its subject matter is not included in the prior art. A patent is considered if, before filing the patent application, it has not been previously accessible to the public by written or oral description, by use, or other means

which include the contents of patents in Brazil and abroad. This will not apply to those cases in which a priority claim has been applied for beforehand or otherwise evidenced under the Paris Convention.

Article 16 of the Industrial Property Law grants priority to a patent application filed in any country with which Brazil has entered into an agreement in this respect.

Article 16. Patent applications filed either in a country that has entered into an agreement with Brazil or an international organization, which produces the effects of an application filed in Brazil, will be given priority rights in Brazil within the time limits established in the agreement. Such filing will not be rendered invalid or otherwise jeopardized by facts occurring within such periods.

Paragraph 1. Priority claims must be made at the time of filing and may be supplemented within sixty (60) days by other priorities predating the filing in Brazil.

Paragraph 2. A priority claim will be evidenced by a proper document of origin, containing the number, date, title, specifications, and if appropriate, claims and drawings, along with a simple translation of the filing certificate or equivalent document, which's contents will be the applicant's entire responsibility, containing the data on the application.

Paragraph 3. If not presented at the time of filing, evidence to this effect must be submitted within no more than one hundred and eighty (180) days.

Paragraph 4. For international applications filed under the aegis of any treaty in force in Brazil, the translation provided in paragraph 2 must be submitted within sixty (60) days as of the Brazilian filing date.

Paragraph 5. If the application filed in Brazil is fully and accurately contained in the document of origin, a statement by the applicant to this effect will suffice in lieu of the simple translation.

Paragraph 6. If priority is obtained by assignment, the corresponding document will be submitted within one hundred and eighty (180) days from the filing date or, if being processed in Brazil, within sixty (60) days of the date of entry; consular legalization in the country of origin has been dispensed.

Paragraph 7. Failure to back up the claim with proper evidence within the time limits established in this article will cause the priority claim to be denied.

Paragraph 8. In the case of an application filed with a priority claim, the corresponding request for anticipated publication will be duly substantiated with evidence as to actual priority rights.

A patent application filed with a Paris Convention member country may be filed in Brazil within the time frames set forth in the Industrial Property Law, namely: one year for invention patents and utility models. The protection provided by the

patent is valid for 20 years for inventions and 15 years for utility models, starting on protection application at INPI filing date.

Patent applications to INPI must contain: the inventor's claims, a complete description, drawing (if appropriate) of the invention, and evidence of compliance with all legal requirements. After the application is filed, a preliminary formal review will be carried out, and a filing certificate will then be issued. This application will be kept in secrecy for 18 months and will then be officially published. The inventor will have 36 months to request a formal review of the application. If no such request is made, the application will be dismissed. The patent letter will be issued after the patent application is approved, but it may be canceled by court order at any time.

Commercial use of a patent must begin no later than three years after the date of issuance of the patent letter, under the pain of granting a compulsory license or forfeiture of the patent. Forfeiture of a patent may also occur if its use is interrupted for a period of two consecutive years or more, if the inventor fails to pay the respective annuity fees to INPI, if the inventor expressly waives his/her privilege, or if the patent is canceled through judicial or administrative channels.

Industrial Property Law deems several conducts as crime against patents, condemning the violator to pay a fine or be subject to imprisonment ranging from 1 (one) month to 1 (one) year. Among the criminalized conducts, it is important to emphasize importation, exportation, manufacturing, and maintaining in stock any product that is the subject matter of an invention or a utility model patent without the authorization of the patentee. Moreover, the aggrieved party may file for civil actions under the Code of Civil Procedure.

#### Who Can Apply for Patents

First to file rule is applicable, what means that the person who gets the patent is not the first inventor but the inventor (or assignee thereof) who firsts apply for it.

An application to patent an invention or new utility model may be made directly by the inventor or by his legally constituted representative, heir, successor or assignee.

A non-Brazilian may apply for a patent in Brazil, provided he is a native or legally established in one of the countries signatory to the Paris convention or in a country that provides reciprocity and equal treatment for Brazilians. However, if the non-Brazilian is not a legal resident or legally established in Brazil, he must name a legal representative in Brazil who will receive official notifications from INPI and answer judicial summons related to the patent.

In a very important provision, article 42 of Law 9.279 introduces the legal concept of prior possession of an invention. Under this concept, the legal user of an invention eventually patented by a third party may continue working irrespective of the exclusive rights of the patent owner, but cannot license or transfer its possession except in the whole of its assets. By this method, it is dealt with the fairness issue related to the first to invent standard of U.S. law without the

complexities of interference procedure. For those cases when the first to file party is not an inventor on its own right, the Code provides for a specific interference court proceeding to annul or seize the patent (art.49).

Inventions made by employees (or public servants, trainees, non employed individuals and independent contractors) during research or similar contracts (or applied for one year thereafter) are owned exclusively by employer, and no payments are due to actual inventor except if employment agreement provided otherwise. In case any participation or royalties are agreed upon, the corresponding amount would not be deemed as wages under Labor Law.

In cases where the inventing employee did not use time, resources or means provided by employer and is not subjected to any research or similar contract terms, patent will inure to inventor, not employer. Inventions made outside specific contracts and with resources provided by employer are equally shared by employer and employee, but employer has exclusive working rights. Rights return to employee if working does not start in one year from issuance of letters patent

#### Criminal Provisions

Extensive criminal provisions cover infringement of patents, trade and service marks, designs and geographical names. An extensive list of unfair competition practices is deemed to be criminal offenses, and all the other non-listed practices are held to be civil offenses.

It is a crime to manufacture a patented product or use a patented process, but it is also criminal to export, to sell, to offer to sell, to keep in stock, to hide or to receive for economic purposes any product that have been manufactured in violation of a product or process patent; and to import a product covered by a product or process patent valid in Brazil, which has not been placed in the foreign market with the patent owner's consent.

Supplying parts, materials or components required to manufacture an infringing product or material or equipment necessary to use an infringing process also is a crime, except if the items supplied could be used also for other purposes beyond the infringement. All such crimes require felonious or reckless intent, and may refer to a part of the claims or to any equivalents doctrine working.

Unfair competition crimes now include the unauthorized utilization or communication of testing data or information, the generation of which has required considerable effort, that were submitted to the proper authorities to satisfy sanitary, food or drug licensing requirements. This provision, which actually changes the prior law in considerable extension shall possibly receive serious opposition from local industry, even though its arguable conformity with the TRIPs standards. Obviously, the provision only covers secret or non available data and test results, and not the information in public domain or already published.

The law provides for customs seizure of items bearing false trademarks or geographic names. Criminal proceedings in almost all industrial property cases are private -- they are instituted and carried out by request of the offended party, who may cease any time the procedure. This is a very convenient feature in a country where there is no plea bargain and the Government cannot desist from a public criminal procedure.

All criminal and civil cases begin by a search a seizure procedure, *inaudita altera parte*, required to obtain evidence of infringement. Offended party may also request the seizure of the counterfeit trade or service mark (not the counterfeit products) and the destruction of the trademarks already added to the products, even in cases where the product could be destroyed in the action. The plaintiff in a search and seizure procedure is however liable for all excesses.

### Industrial Property

The protection provided by Law No. 9.279/96 comes effective through the granting of patents, trademarks, utility models, industrial designs and models, prohibition of false geographical indications, and unfair competition. This Law covers the same matters as in the earlier Industrial Property Code, which introduced important concepts such as the acknowledgment of rights inherent to well-known trademarks (Article 6 bis of the Paris Convention) and granting of patents for prescription drugs, chemicals, and pharmaceutical and food products. The trademarks are protected within the scope of Industrial Property, being regulated by specific rules.

The Brazilian Industrial Property Institute (Instituto Nacional da Propriedade Industrial - INPI) is a government agency responsible for registering industrial property rights and carrying out a formal review of the applications for trademark registration, industrial designs, geographical indications, and patent grants.

### Trademarks

In Brazil, protection of trademarks is based on ownership, meaning that all rights stem from the registration of the respective trademark. This principle was established in Article 129 of the Industrial Property Law.

Article 129 - Property to a mark is acquired by a validly granted registration in accordance with the provisions of this law. The mark owner is ensured exclusive use thereof throughout the Brazilian territory with due regard for articles 147 and 148 with respect to collective and certification marks.

Pursuant to article 6 bis of the Paris International Convention and article 126 of the Industrial Property Law, Brazilian law grants protection to well known trademarks in its field of activities irrespective of its registration in Brazil.

Article 6 bis - The countries under this association undertake, ex officio if their legislation so permits or at the request of an interested party, to refuse or to cancel the registration and to prohibit the use of a trademark that constitutes reproduction,

imitation, or translation liable to create confusion of a trademark if considered by the competent authorities of the country of registration to be well known in that country and already belonging to a person entitled to the benefits of this convention and used for identical or similar goods. These provisions will also apply when an essential parts of a trademark is constituted by a reproduction of any such well-known trademark or is an imitation liable to create confusion in the consumers' minds.

Article 126 - Trademarks that are well known in their field of activity, as defined in article 6 bis (I) of the Paris Convention for the Protection of Industrial Property, will enjoy special protection irrespective of their previous filing or registration in Brazil.

In addition, Article 125 of Industrial Property Law establishes special protection in all fields of activities to the highly reputed trademarks registered in Brazil. Highly reputed trademarks are those whose fame overtops its field of activity.

Article 125 - Marks registered in Brazil and considered to be famous shall be granted special protection in all fields of activity.

Regarding this subject, it is important to emphasize that INPI recently enacted Regulation No. 110/2004 that regulates the procedures for the registration of highly reputed trademarks.

According to Brazilian laws, there are three types of trademarks:

- (i) trademark or service mark: used to distinguish a product or service from other identical, similar, or related products or services from a different origin;
- (ii) certification trademark: used to certify that a product or service conforms with certain technical standards or specifications, notably with reference to its quality, nature, materials used, and methodology employed;
- (iii) collective trademark: used to identify products or services from members of a given entity;

Brazil may issue Brazilian or foreign trademarks. Foreign trademarks are recorded under the terms of the Paris Convention, granting a priority period of six months from the date of application in the country of origin, for the owners to apply for registration of the same trademarks in other member countries (Brazil's case).

A Brazilian trademark is a trademark applied for by a Brazilian or foreign company to distinguish products or services germane to its activities. We will discuss this concept further below.

The major point in registering a trademark within the priority period set by the Convention is that the date of filing in the country of origin will also be valid in Brazil. If a foreign person applies for the trademark in Brazil without a priority claim under the Paris Convention, the trademark will be treated as Brazilian and the Convention benefits will not apply.

In Brazil the following documentation must be submitted when applying for registration of foreign trademarks:

- (i) power of attorney, including express powers for the attorney in fact to receive service of process related to any suits filed against the owner of such trademark in Brazil;
- (ii) if a priority claim is filed: certified copy of the application for registration or certificate of trademark registration in the country of origin;
- (iii) affidavit stating that the applicant is a company legally organized in its own country and specifying the activities performed, which must be directly related to the products/services for which it intends to obtain registration in Brazil. According to article 128, paragraph 1 of the Industrial Property Law, the field of activity of the owner of a trademark in Brazil must be directly related to the products and/or services covered by the trademark;
- (iv) if composed of symbols, drawings, colors, or stylized letters: samples of the trademarks to be registered.

A Brazilian or foreign interested party may apply for registration of a Brazilian trademark. The application and respective registration of a trademark will follow the procedures set forth in the Industrial Property Law.

If the applicant is a Brazilian company, the following documents will be required for registration of the trademark at INPI: power of attorney, updated copy of the articles of association or bylaws (evidencing the activities covered by the trademark), and if necessary, samples of the trademark. The documents required from foreign applicants are the same as those listed above, except for a copy of the application for registration or certificate of trademark registration in the country of origin.

If the country of origin of a foreign applicant is not a signatory to the Paris Convention, registration may be applied as if the trademark was Brazilian and not foreign, provided that the registration requirements set by Brazilian laws are met.

In Brazil, using a trademark is essential for its protection. If a trademark is not used within five years after its registration or if its use is interrupted for more than five consecutive years, forfeiture of the trademark will occur. If its owner or a licensee in Brazil uses the trademark, registration will be valid for ten years. This protection may be renewed for like successive periods.

Before applying for trademark registration in Brazil, a research must be carried out at the INPI database to check whether other conflicting trademarks have been applied for or registered.

Industrial Property Law deems several conducts as crime against marks, condemning the violator with a fine or sentence of imprisonment ranging from 1 (one) month to 1 (one) year. Among the criminal conducts, it is important to emphasize importation, exportation, manufacturing, and maintaining in

stock any products that fully or partially reproduced third-party marks in an illicit manner.

Moreover, the aggrieved party may file the civil actions as he may deem suitable under the Code of Civil Procedure, claiming compensation for the losses and damages resulting from the violation and cease of the illicit conduct.

Among the major civil cases handled by Pinheiro Neto Advogados, lawsuits seeking to cease the reproduction and counterfeit of marks or involving conflicts over corporate and domain names can be pointed out.

### Company Name

In addition to marks, the Brazilian Legal System also provides protection to company names. Law No. 9434/94, Decree No. 1800/96 and the Brazilian Civil Code contain several provisions regulating the registration and protection of company names. Protection results from the filing of the company's acts of incorporation with the competent body.

Furthermore, article 8 of the Paris Union Convention establishes that company names will be protected in all countries of the Union, irrespective of their registration. Please see below:

"Article 8 - Company names shall be protected in all countries of the Union without obligation of them being filed or registered and irrespective of whether or not they are part of a brand name or trade name."

Finally, it should be pointed out that article 195, V of the Industrial Property Law typifies the unauthorized use of a third-party corporate name as unfair competition crime, subjecting violators to the applicable civil remedies in addition to a fine or imprisonment that may vary from three (3) months to one (1) year.

### Industrial Designs

Pursuant to the Industrial Property Law, industrial designs consists of any ornamental plastic form of an object or any ornamental arrangement of lines and colors that may be applied to a product. It must provide a new and original visual result in its external configuration and must serve as a type of industrial manufacture.

To ensure the ownership, the author of the industrial design presenting novelty and originality in its characteristics may obtain a registration certificate at the Brazilian Industrial Property Institute - INPI. The procedure for registration is similar to that of a patent. The registration will be in effect for a term of ten (10) years as of filing date and may be extended for three (3) consecutive periods of five (5) years each. During this period, the owner is entitled to prevent third parties from using the industrial design that is the subject matter of the registration without his consent.



The request for registration of an industrial design in a country that has signed an agreement with Brazil may exercise the same prerogatives set in the above-referred article 16 of the Industrial Property Law. It should only be pointed out that the term for the respective filing in Brazil (after it has been filed abroad) is of six (6) months and the term in article 16, paragraph 3, is of ninety (90) days.

Industrial Property Law deems several conducts as crime against industrial designs, condemning the violator to pay a fine or be subject to imprisonment ranging from 1 (one) month to 1 (one) year. Among the criminalized conducts, it is important to emphasize the importation, exportation, the manufacturing, and maintaining in stock any products that is the subject matter of an industrial design, without the authorization of its owner. Moreover, the aggrieved party may file for civil actions under the Code of Civil Procedure.

### Unfair Competition

Article 195 of the Industrial Property Law lists unfair competition crimes. Violator may be sentenced to pay a fine or be subject to imprisonment ranging from 3 (three) months to 1 (one) year. If it can be clearly shown that a certain act was intended to discredit another's business or reputation, to create confusion with other commercial and industrial establishments or service providers, or to create confusion with third-party goods and businesses available on the market, then the injured party will be entitled to reparation in both the civil and criminal spheres.

Unfair competition is asserted against whoever:

- (i) publishes, by any means, a false statement detracting a competitor, to his own advantage;
- (ii) provides or discloses false information regarding a competitor, to his own advantage;
- (iii) uses fraudulent means to divert clientele of another for his own or someone else's benefit;
- (iv) uses or imitates an advertising slogan or sign of another, as to cause confusion with his products or establishments;
- (v) misuses another's business name, company name or insignia, or sells, displays, offers for sale, or maintains in stock a product with such references;
- (vi) makes unauthorized substitution of the name or company name placed on another's product for his/her own name or company name;
- (vii) claims, as an advertising ploy, to have received a prize or commendation that he/she has not in fact been awarded;
- (viii) sells, displays, or offers for sale, an adulterated or counterfeited product in another's container or wrapper, or

trades it for another product of the same type, even if not adulterated or counterfeited;

(ix) gives or promises money or other assets to employees of a competitor, encouraging such employees to neglect their duties to the detriment of the competitor;

(x) receives money or other assets or accepts a promise of payment or reward to neglect his/her duties as an employee to the benefit of a competitor of his/her employer;

(xi) makes unauthorized disclosure or exploitation during or after termination of a contract of any confidential matter, information, data used in industry, or trade or service-rendering activities to which he/she had access as a result of a contractual or employment relationship. Exception to this rule would be information or data that is available to the public or is clearly available to an expert on the matter;

(xii) makes unauthorized disclosure, commercial exploitation, or use of any confidential matter or information dealt with in the preceding item obtained by illicit or fraudulent means;

(xiii) sells, displays, or offers for sale a product that is wrongly stated to be subject to a patent grant or application, registered industrial design, or wrongly states in business advertising or any document that such product is subject to a patent, application or registration; and

(xiv) makes unauthorized disclosure, commercial exploitation, or use of results of tests or other data, whose preparation involved considerable effort, and which have been presented to governmental entities as a means of having the marketing of certain products approved by such entities.

On the civil sphere however, these classifications of unfair competition practices have merely illustrative purposes. Under article 209 of the Industrial Property Law, in addition to pursuing the applicable civil measures for discontinuance of the illegal practice and redress of damages caused by the acts described in article 195 of this Law, the aggrieved party is entitled to seek reparation for other unfair competition practices that may taint the reputation of third-party business or create confusion between competitors and/or their products.

### Technology Transfer and License Agreements

Technology transfer, patent, trademark, and franchise license agreements must be filed at INPI. After enactment of the Industrial Property Law, several requirements for approval of such agreements were removed, simplifying the approval procedure. Among other items, the list of compulsory clauses required in these agreements were eliminated.

INPI's review of agreements dealing with the licensing of industrial property rights (trademarks and patents), technology transfers, and technical assistance and related services is currently limited to the aspects inherent to the documents submitted for review, compliance with tax, currency control, unfair competition, and antitrust rules.

INPI approval for such agreements is vital not only for Central Bank registration (making offshore remittance of payments feasible), but also for the technology recipient or licensee to post the amounts disbursed as allowable expenses. Moreover, only after approval will such contracts be binding on third parties.

As a rule, technology transfer agreements must specify their objective and clearly describe the method to be adopted for actual transfer of technology. The know-how, technology available, development of techniques, planning and programming methods, research, studies and projects for the development, and rendering of specialized services are protected by industrial property rights. The technology to be transferred may be compensated at a prefixed overall fee, at a price set per item, at a percentage of the profits, or at a percentage of net income less the taxes, assessments, and other charges agreed on between the parties.

Patents regularly filed or granted in Brazil and trademark license agreements must outline the conditions prior to their use. Licensed patents or trademarks must be specified in a separate annex, containing the Brazilian filing date and number, respective title (for patents), the registration or application date in Brazil, a description of the trademark, and the respective classification (for trademarks).

Patent and trademark license agreements must also specify whether the license is granted with exclusivity on a remunerated or royalty-free basis and if sublicensing is allowed. The term of effectiveness of such agreements cannot exceed the validity of the patent or trademark registration.

Technical and scientific assistance service agreements must specify the period for rendering specialized services, the number of technicians involved, the degree of expertise, training programs, and the agreed compensation.

Franchise agreements must also be filed at INPI. Their validity is primarily dependent on two aspects: (i) temporary granting of the rights that involve, together with use of the respective trademarks, the rendering of technical assistance services or other technology transfer mechanisms necessary to achieve the respective goals, and (ii) the flat or floating fee paid by the franchisee to the franchiser, calculated as a percentage of sales, profits earned, or price per unit sold or purchased by the franchisee from its suppliers.

## Copyrights

Law No. 9610 of February 19, 1998 regulates copyrights in Brazil. It states that all creative works of inspiration however outwardly expressed are protected as intellectual property.

Copyrights are divided into moral and pecuniary rights. Moral rights ensure that the work is bound to the identity of its author, not being transferable. Moral rights include, among others: (i) the right to claim authorship of the work at any time; (ii) the right to have his name stated on the work in connection with

any use thereof, (iii) the right to object to any modification of the work that would be prejudicial to the author's reputation or honor.

Pecuniary rights are those related to the use, enjoyment, and disposal of an intellectual work. These rights are transferable to third parties, including legal entities.

Under Brazilian law, the author of the work or, in the absence of a proof, the person claiming to be the author or the person whose name is included on the work, is deemed to be the copyright owner.

Any person who adapts, translates, compiles or edits a work in the public domain may claim copyright to such work, but this same person cannot prevent publication of another adaptation, translation, compilation, or edition of the same work.

Either a person or an entity may own copyrights, subject to the authorization or assignment by the respective author. In Brazil, registration of copyrights is optional and not essential for its protection. In order to secure his/her rights and to evidence ownership, an author may register his/her works at specific agencies.

The Copyright Law also provides protection to so-called copyright-related rights. These rights include the protection of the rights of artists, performers, phonographic producers, and radio broadcasting companies.

Civil and criminal actions may be brought against anyone infringing on another's copyrights. Civil courts prohibit publication of any work that infringes copyrights, and may award damages to the copyright owner. Infringement of copyrights is also punishable as an offense in the criminal sphere.

Law 10695/03 provides for various practices that typifies a crime against copyrights, including copyright-related rights. These practices include total or partial reproduction of intellectual work, distribution, sale, purchase, concealment, and storage of a copy of an intellectual work. The penalties consist on a fine or imprisonment ranging from 3 (three) months to 4 (four) years depending on the case.

## Software

In Brazil, software is regulated by Laws Nos. 9609 (the Software Law) and 9610 (the Copyright Law) of February 19, 1998, which provide for, among other issues: (a) protection of software as an intellectual property right; (b) software marketing rules and creation of mechanisms to keep governmental control over such marketing activities in order to protect software rights in Brazil; and (c) the criminal penalties to be applied in the event of infringement of copyright along with certain marketing rules related to software protection.

Software rights are protected for a period of 50 years as of January 1st of the year following the publication of the software or, in the absence of a publication, as of the creation of the software in each country. In Brazil, foreign-based owners of

software are, as in the case of copyrights, also entitled to protection, provided that the country of origin of such owners offers reciprocal treatment to Brazilians and foreigners domiciled in Brazil.

In Brazil, software protection is not conditional on registration. The author need not register a software to claim ownership rights. Nevertheless, the software can be registered with INPI. Infringement of software copyrights is punishable with a fine or imprisonment ranging from six months to two years.

Unless otherwise agreed between the parties on an employment or service relationship, the employer or principal will be the owner of rights to the software developed by an employee, civil servant, or contractor during such relationship, be it resultant from research and development works or of the very nature of the services retained.

However, the employee, civil servant, or contractor that develops a software without using any resources, techniques, materials, facilities, or equipment pertaining to the employer or principal and are under no employment or service relationship, will be the owner of the rights to the software developed.

The rights to technological changes or upgrades will inure to the author and will be used as determined in such document if so determined in the respective agreement.

According to the Software Law, the following events do not characterize an offense against software copyrights:

- reproduction of a copy that was legally acquired, whenever indispensable for proper use of the software;
- partial quotation for educational purposes, provided that the respective software and author are mentioned;
- similarity between one software and another, if resulting from functional application characteristics, compliance with legal and regulatory precepts or technical standards, or limitation of alternative forms of expression; and
- if technically indispensable for the user needs, integration of software and its basic characteristics into an application or operating system, provided that it is used exclusively by the person that actually made such integration.

### Comparative Advertising

In Brazil, comparative advertising is allowed provided the requirements set in article 32 of the Brazilian Code of Self-regulatory Advertising are met:

- (a) it is mainly intended to provide clarifications to the consumer and/or to defend consumer rights;
- (b) it must be grounded on objective comparative criteria. Subjective data based on psychological or emotional features do not constitute a valid element for comparison;

(c) the alleged or actual comparison should be evidenced as such;

(d) in the event of comparison between consumer goods, they should be compared to models manufactured in the same year. Products manufactured in different years cannot be compared unless the comparison is used to point out the product evolution, which must be characterized as such;

(e) there must be no confusion with competitive products and brands;

(f) there is no unfair competition or disparagement of another company's product image or brand;

(g) the company image or prestige of another should not be unjustifiably used; and

(h) when products with different prices are compared, such fact should be clearly indicated in the advertisement.

Therefore, comparative advertising per se is not prohibited. Such prohibition will apply when the provisions in article 32 are violated, i.e., whenever the data disclosed in the advertising is unreal or cannot be confirmed, characterizing unfair competition and thus a breach of comparative advertising regulations.

### Cultivated Plant Protection

Law No. 9456 of April 25, 1997 instituted the protection of cultivated plants as a means to protect the respective intellectual property rights. New and other cultivated plants are entitled to protection under the conditions set in law. Protection is granted for a period of 15 years; however, grapevines, fruit trees, forest and ornamental trees, are entitled to a 18-year protection.

Registration must be made with the Brazilian Service for the Protection of Cultivated Plants (Serviço Nacional de Proteção de Cultivares - SNPC), a division reporting to the Ministry of Agriculture and Supply. Individuals or legal entities that have filed an application for protection of cultivated plants in a country with which Brazil has an agreement or in an international organization of which Brazil is a member (and which produces the effects of an application filed in Brazil), will be given priority rights for a period up to 12 months.

### Legal Counsel in Brazil for IPR Issues

Local assistance can be very useful when entering, consolidating or expanding in the Brazilian market. Understanding the legal aspects of the Brazilian market is extremely important. To operate in accordance with Brazilian laws, it may be essential to hire a local lawyer, qualified to act on behalf of the foreign company. Without the appropriate legal assistance, investors might be subject to several liabilities, which range from a denial of an appropriate authorization to operate in the Brazilian market to facing



obstacles with a Brazilian partner, causing eventual losses to the foreign company.

Local lawyers can assist with minimizing your company's tax burden by taking advantage of tax incentives provided by local, state or federal levels. Lawyers can also explain aspects related to real estate, labor, intellectual property, and antitrust laws, all of which can be complicated in Brazil. Local legal council may also provide expertise in negotiating with local players.

#### Attorneys With IPR Infringement Experience

#### PINHEIRO NETO ADVOGADOS

Mr. Mauro J. G. Arruda  
Rua Boa Vista, 254 - 9º andar  
01014-907 - São Paulo - S.P. Brazil  
Tel: 55/11/ 3247-8400  
Fax: 55/11/3247-8600  
[www.pinheironeto.com.br](http://www.pinheironeto.com.br)  
[pna@pinheironeto.com.br](mailto:pna@pinheironeto.com.br)

Specializations: representation of clients before the National Industrial Property Institute (INPI), the Central Bank of Brazil, and the National Self-regulatory Advertising Council (CONAR), patent and trademark registration; copyright protection, lawsuits involving unfair competition, piracy, search and seizure, trademark and patent infringement, trade names, copyright protection, undue and misleading advertisement, and domain names.

#### CRUZEIRO/NEWMARC PATENTES E MARCAS LTDA.

Mr. Newton Silveira  
Mr. Wilson Silveira  
Av. Paulista, 1499 18º Andar  
01311-928 – São Paulo, S.P. Brazil  
Telephone: (55-11) 3170-1122  
Fax: (55-11) 3170-1120  
[cruzeiro@newmarc.com.br](mailto:cruzeiro@newmarc.com.br)  
<http://www.newmarc.com.br>

Specializations: intellectual Property, Industrial Property, Patents, Trademarks, Utility Models, Industrial Designs, Biotechnology, Trade Names, Licensing, Franchises and Franchising, Antipiracy, Unfair Competition, Passing Off, Trade Dress, Trade Secrets, Computers and Software, Copyrights, Data Protection, Antitrust and Trade Regulation, Consumer Protection Law, Domain Names, Domain Name Infringement, Internet Law, E-Commerce, Technology and Science, Contracts, Agency and Distributorship, Business Law, Commercial Law, Company Law, Alternative Dispute Resolution, Arbitration and Litigation.

#### THOMAZINHO, FREDDO, JANDUCI ADVOGADOS

Rua Frei Caneca, 1380, 3º andar  
01307-002 - São Paulo - S.P. Brazil  
Tel: 55/11/3141 9494  
Fax: 55/11/3064 2550  
[rthomazinho@thomazfreddo.com.br](mailto:rthomazinho@thomazfreddo.com.br)  
[www.thomazfreddo.com.br](http://www.thomazfreddo.com.br)

Specializations: intellectual property, general practice, commercial law, corporate law, international contracts, foreign investment, arbitration.

#### SUL AMERICA MARCAS E PATENTES S/C LTDA.

Rua Luiz Goes, 1296  
04043-150 - São Paulo - SP  
Phone: 55/11/5584-0933  
Fax: 55/11/5581-3858  
[marketing@sulamericamarcas.com.br](mailto:marketing@sulamericamarcas.com.br)  
<http://www.sulamericamarcas.com.br>

Specializations: provides services related to trademarks, patents copyrights, software, industrial design, Internet domain names, industrial property audition, researches, protection of corporate name, technical assistance, transfer of technology agreements, licenses, litigation and related matters.

#### DANNEMANN SIEMSEN BIGLER & IPANEMA MOREIRA ADVOGADOS.

Av. Indianópolis, 739  
04063-000 - São Paulo - S.P. Brazil  
Tel: (55-11) 5575-2024  
Fax: (55-11) 5549-2300  
[spmail@dannemann.com.br](mailto:spmail@dannemann.com.br)  
[www.dannemann.com.br](http://www.dannemann.com.br)

Specializations: trademarks, unfair competition, domain names, contracts, franchising, competition law, litigation, industrial designs, technology transfer.

#### Brazilian Organizations

**ABPI** - Brazilian Association of Intellectual Property  
<http://www.abpi.org.br>

**ABAPI** - Brazilian Association of Industrial Property Agents  
<http://www.abapi.com.br>

**ASPI** - Industrial Property Association of São Paulo  
<http://www.aspi.org.br>

**CG** - Brazilian Internet Steering Committee  
<http://www.cg.org.br>

**IBPI** - Brazilian Institute of Intellectual Property  
<http://www.ibpi.org.br>

**INPI** - National Institute of Industrial Property  
<http://www.inpi.gov.br>

**Registro .br** - Domain name registration in Brazil  
<http://www.registro.br>

## International Organizations

**ALCA** - Free Trade Area of the Americas  
<http://www.ftaa-alca.org>

**ASIPI** - Interamerican Association of Industrial Property  
<http://www.asipi.org>

**AIPPI** - International Association for the Protection of Intellectual Property  
<http://www.aippi.org>

**CLA** - Computer Law Association  
<http://www.cla.org>

**ECTA** - European Communities Trademark Association  
<http://www.ecta.org>

**EPO** - European Patent Office  
<http://www.european-patent-office.org>

**EU** - European Union  
<http://www.europa.eu.int>

**FICPI** - International Federation of Intellectual Property Attorneys  
<http://www.ficpi.org>

**INTA** - International Trademark Association  
<http://www.inta.org>

**LES** - Licensing Executives Society  
<http://www.les.org>

**LIDC** - International League of Competition Law  
<http://www.ligue.org>

**Max Planck Institute** for Foreign and International Patent, Copyright and Competition Law  
<http://www.intellecprop.mpg.de>

**UNCITRAL** - United Nations Commission on International Trade Law  
<http://www.uncitral.org>

**USCO** - United States Copyright Office  
<http://www.copyright.com>

**USPTO** - United States Patent Office  
<http://www.uspto.gov>

**WIPO** - World Intellectual Property Organization  
<http://www.wipo.int>

**WTO** - World Trade Organization  
<http://www.wto.org>

## Patent Databases

**Delphion Research** Intellectual Property Network - International and US Patent Search Database (ex-IBM)  
<http://www.delphion.com>

**Dialog DataStar**  
<http://www.dialog.com/info/products/datastar-index.shtml>

**Esp@cenet**  
<http://www.european-patent-office.org/espacenet/info/access.htm>

**INPI** (Brazil) - Patent and Industrial Design Search  
[http://www.inpi.gov.br/pesq\\_patentes/patentes.htm](http://www.inpi.gov.br/pesq_patentes/patentes.htm)

**Intellectual Property Digital Library (PCT-Gazette)**  
<http://pctgazette.wipo.int>

**Micropatent PatentWeb**  
<http://www.micropat.com/0/patentweb9809.html>

**Questel-Orbit** - Your guide to Intellectual Property  
<http://www.questel.orbit.com>

**Univentio** - Patent Information  
<http://www.univentio.com>

**USPTO** Patent Search  
<http://patents.uspto.gov>

## Other Resources

- For more information about IPR issues, please consult the São Paulo-based author of this report, Rodrigo Mota, at: [rodrigo.mota@mail.doc.gov](mailto:rodrigo.mota@mail.doc.gov) or 55-11-5186-7335.
- Overview on current status of IPR issues in Brazil: <http://www.focusbrazil.org.br/ccg/chapters/IPR.pdf>
- Country Commercial Guide for Brazil: <http://www.focusbrazil.org.br/ccg/>
- For more reports on this sector in other countries, please visit Export.gov's site for US Commercial Service Market Research Worldwide: <http://www.export.gov/marketresearch.html>

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, The Department of Commerce does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. This report was written by trade specialist Rodrigo Mota.

With its team of industry sector experts, the US Commercial Service can assist US exporters gain entry into the Brazilian market through market research reports, matchmaking services and advocacy programs. The Commercial Service has offices in Brasília, São Paulo, Rio de Janeiro, Belo Horizonte and Porto Alegre. You can visit us at [www.FocusBrazil.org.br](http://www.FocusBrazil.org.br) or contact us at [sao.paulo.office.box@mail.doc.gov](mailto:sao.paulo.office.box@mail.doc.gov).